

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 133A, Page 1

May 1996

NEW LAWS AFFECTING SCHOOL CORPORATIONS

The following is a digest of some of the laws passed by the 1996 General Assembly affecting school corporations. Please note the effective dates. Some of the laws do not pertain directly to school corporations but are included in the digest for ready reference to the covered subject matter.

The digest is not intended as an expression of legal interpretation. Nor is the digest intended to be all inclusive. References in the digest will be to the Indiana Code in the following form (Amends IC 20-5-2-2) (Amends Indiana Code, Title 20, Article 5, Chapter 2, Section 2).

**PUBLIC LAW 5 - HOUSE ENROLLED ACT 1036 - EFFECTIVE JULY 1, 1996. STATE ETHICS COMMISSION.** Amends IC 4-2-6-1 concerning the State Ethics Commission. Also adds various other articles and chapters to IC 4; 5; 8; 9; 14; 20; 21; 26 and 27 concerning ethics.

**PUBLIC LAW 13 - SENATE ENROLLED ACT 240 - EFFECTIVE JULY 1, 1996. LOCAL INFRASTRUCTURE REVOLVING FUND.** Adds IC 4-10-19 to establish the Local Infrastructure Revolving Fund. The purpose is to provide funds (loans, grants, etc.) to local governments for infrastructure projects. The Fund will be administered by the State Budget Agency.

**PUBLIC LAW 14 - SENATE ENROLLED ACT 265 - EFFECTIVE JULY 1, 1996. CLAIMS. EDUCATIONAL TECHNOLOGY.** Amends IC 5-11-10-1.6 provides the section does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under IC 20-10.1-25-3 - Educational technology.

**PUBLIC LAW 17 - HOUSE ENROLLED ACT 1003 - EFFECTIVE JULY 1, 1996. AGENCY RULES.** Adds sections to IC 4-22-2 concerning rules adopted and interpretations thereof of various state agencies and publishing an index in the Indiana Register.

**PUBLIC LAW 18 - SENATE ENROLLED ACT 344 - EFFECTIVE MARCH 21, 1996. DEPOSITORIES AND INVESTMENTS.** Amends IC 5-13-4-10 to define financial institution as a bank, trust company or mutual savings bank that (A) was incorporated under the law of Indiana or any other state; and (B) has its principal office or branch in Indiana. A national banking association with its principal office or branch in Indiana .

Amends IC 5-13-6-1 to provide that all local investment officers shall reconcile at least monthly the balance of public funds with the statements provided by the respective depositories.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 2**

**May 1996**

**PUBLIC LAW 18 - SENATE ENROLLED ACT 344 (Continued)**

Amends IC 5-13-8-1 to provide that financial institutions may apply to the state board of finance to become depositories and receive public funds of political subdivisions. Financial institutions would need to submit applications to the Treasurer of the State to be designated as a depository of the State under IC 5-13-9.5. The State Board of Finance reviews the applications and makes determinations if applicants are qualified. If the applicants are qualified, the Treasurer of State shall add the financial institutions to the list of depositories eligible to receive public funds from political subdivisions.

A political subdivision may deposit public funds in a financial institution only if an institution is (1) on the list of depositories described in IC 5-13-8-1(c) and (2) has a principal office or branch which qualifies under IC 5-13-8-9. The State Board of Finance shall make available information concerning financial institutions on the list as may be requested by a local board of finance. A local board of finance may rely on certificates described in IC 5-13-8-1(b)(1)(C) in determining to deposit public funds or reinvest public funds in the financial institution.

IC 5-13-8-6 is amended to provide for revocation and resignation items.

Amends IC 5-13-8-7 concerning revocations.

Amends IC 5-13-8-9 concerning deletion of maintaining deposits in proportion for two or more financial institutions designated.

Amends IC 5-13-9-2 to provide for investment or reinvestment in:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

- (A) The United States Treasury.
- (B) A federal agency.
- (C) A federal instrumentality.
- (D) A federal government sponsored enterprise.

(2) Discount notes issued by any of the following:

- (A) A federal agency.
- (B) A federal instrumentality.
- (C) A federal government sponsored enterprise.

Deletes IC 5-13-9-2(c) concerning two year maturity. (However, see IC 5-13-9-5.6).

Amends IC 5-13-9-2(d) to provide investing officers shall accept safekeeping receipts or other reporting for securities.

Amends IC 5-13-9-3 as amended by HEA 1310 - 1996 to provide "Repurchase Agreements" means an agreement:

- (1) involving the purchase and guaranteed resale of securities between two (2) parties; and
- (2) that may be entered into for a fixed term or arranged on an open or a continuing basis as a continuing contract that:
  - (A) operates like a series of overnight repurchase agreements;
  - (B) is renewed each day with the repurchase rate and the amount of funds invested determined daily; and
  - (C) for purposes of this article, is considered to have a stated final maturity of one (1) day.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 3**

**May 1996**

**PUBLIC LAW 18 - SENATE ENROLLED ACT 344 (Continued)**

IC 5-13-9-3(b) is amended to provide that officers may enter into repurchase agreements involving the political subdivision's purchase and guaranteed resale of any interest-bearing obligations: (A) issued; or (B) fully insured or guaranteed by United States, United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise. The depository shall determine daily the amount of money in this type of agreement must be fully collateralized by interest-bearing obligations as determined by their current market value. IC 5-13-9-3(c) is added to provide if the market value of the obligations being held as collateral falls below the level required under IC 5-13-9-3(b) or a higher level established by agreement, the depository shall deliver additional securities to the political subdivision to make the agreement collateralized to the applicable level. The collateral involved in a repurchase agreement entered into under this section is not subject to the maturity limitation provided in IC 5-13-9-5.6.

IC 5-13-9-3(d) is amended to provide a political subdivision may invest in repurchase agreements without entering into a contract under IC 5-13-11 for an investment cash management system.

Adds IC 5-13-9-3.3 to provide for the investment or reinvestment of any funds that are held by the officer and available for investment in obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Redevelopment or the African Development Bank.

IC 5-13-9-4 is amended to provide each officer designated in IC 5-13-9-1 may deposit, invest, or reinvest any funds held by the officer and available for investment in transaction accounts issued or offered by a designated depository for the rates and terms agreed upon periodically by the officer making the investment and the designated depository. (IC 5-13-4-24 defines transaction accounts as any deposit account other than a certificate of deposit.) The fiscal body of a political subdivision shall require the investing officer to deposit and maintain deposits that are invested or reinvested under IC 5-13-9-4 as follows:

- (1) In one (1) or more depositories designated by the political subdivision, if the sum of the monthly average balances of all of the transaction accounts for the political subdivision does not exceed one hundred thousand dollars (\$100,000).
- (2) In each depository designated for the political subdivision, if subdivision (1) does not apply and less than three (3) financial institutions are designated by the local board of finance as a depository.
- (3) In at least two (2) depositories designated for the political subdivision, if subdivision (1) does not apply and at least three (3) financial institutions are designated by the local board of finance as a depository.

IC 5-13-9-4(b) is amended to provide investing officers depositing in certificates of deposits shall obtain quotes of the specific rates of interest for the term of that certificate of deposit that each designated depository will pay on the certificate of deposit.

A deposit made under this subsection shall be placed in the designated depository quoting the highest rate of interest. If more than one (1) depository submits a quote of the highest rate of interest rate quoted for the investment, the deposit may be placed in any or all of the designated

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 5**

**May 1996**

**PUBLIC LAW 18 - SENATE ENROLLED ACT 344 (Continued)**

depositories quoting the highest rate in the amount or amounts determined by the investing officer's discretion.

Amends IC 5-13-9-5 to provide the fiscal body may by resolution authorize the investing officer to invest in certificates of deposit of depositories that have not been designated by the local board of finance but have been designated by the State Board of Finance as a depository for state investments under IC 5-13-9.5.

Adds IC 5-13-9-5.6 to provide investments made under this chapter must have a stated final maturity of not more than two (2) years after the date of purchase or entry into a repurchase agreement.

Amends IC 5-13-9-6 to remove section (h) concerning deducting insurance assessments from interest.

Amends IC 5-13-9-6(g) to provide interest from the investment of the public funds of a political subdivision may not be paid personally or for the benefit of any public officer.

Adds IC 5-13-9-8.5 to provide funds deposited in deposit accounts in accordance with this chapter and interest earned or accrued on the funds are public funds and are covered by the insurance fund.

Adds IC 5-13-9.5 concerning Designation of State Depositories.

Sections 36 and 37 contain provisions concerning existing and new depositories including (c) A financial institution that is a depository for a political subdivision on the effective date of this section, and any successor financial institution, continues to be a depository for the political subdivision after the effective date of this section without reapplying under IC 5-13-10.5, as added by this act or IC 5-13-8-1, as amended by this act, until the earliest of the following occurs:

- (1) The state board of finance revokes the status of the financial institution as a depository.
- (2) The financial institution notifies the state board of finance or the local board of finance for the political subdivision that the financial institution is resigning as a depository for the political subdivision.
- (3) Another law terminates the depository status of the financial institution.

Amends IC 20-5-7-4 to add current investments in accordance with IC 5-13-2.5.

Amends IC 36-1-8-11 as added by HEA 1230-1996, to provide a credit card means:

- (1) credit card;
- (2) debit card;
- (3) charge card; or
- (4) stored value card.

Repeals IC 5-13-4-3; IC 5-13-8-2; IC 5-13-8-3; IC 5-13-8-4; IC 5-13-8-5; IC 5-13-8-10; IC 5-13-8-11; IC 5-13-9-7; PL 40-1995, Section 6.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 5**

**May 1996**

**PUBLIC LAW 26 - HOUSE ENROLLED ACT 1297 - EFFECTIVE VARIOUS DATES. PENSION RELIEF PAYMENTS. HOMESTEAD CREDIT. PROPERTY TAX RELIEF PAYMENTS. EXCISE TAX.** Amends IC 5-10.3-11-5 effective January 1, 1997 to provide an annual reporting to each affected unit of local government of the projected pension payments for the next twenty (20) years and the present value of the total future projected pension payments.

Amends IC 6-1.1-20-9-2 effective January 1, 1996 concerning Homestead Credits available.

Amends IC 6-1.1-21-10 effective January 1, 1996 adjusting the distribution schedule for property tax replacement.

Amends IC 6-6-5-5 effective January 1, 1996 concerning auto license excise taxes to be paid.

Also adds sections 18 and 19 concerning pension stabilization and pension relief.

**PUBLIC LAW 30 - SENATE ENROLLED ACT 348 - EFFECTIVE JANUARY 1, 1996, MARCH 21, 1996, AND RETROACTIVE IN PART TO JULY 1, 1995. CPF TRANSFERS.** Adds Section 6 for certain school corporations.

**PUBLIC LAW 34 - HOUSE ENROLLED ACT 1402 - EFFECTIVE VARIOUS DATES. SCHOOL ANNUAL REPORT.** Amends IC 5-3-1-3 concerning content requirements for the school annual report. Also amends various sections of IC 20-1 concerning school reporting to the department of education. Also adds IC 20-1-21 concerning the school corporation annual performance report.

IC 20-10.1-17-7.5 is amended to provide remediation programs for all students who fall below the educational proficiency standards described in IC 20-10.1-16. The governing body shall spend money under this chapter for direct remediation or direct preventative remediation services for students.

**PUBLIC LAW 35 - HOUSE ENROLLED ACT 1047 - EFFECTIVE JULY 1, 1996 AND DECEMBER 1, 1992. RETROACTIVE PERF.** Amends IC 5-10.2 concerning PERF benefits.

**PUBLIC LAW 39 - HOUSE ENROLLED ACT 1159 - EFFECTIVE JANUARY 1, 1997.** Amends IC 5-11 concerning audit findings being based upon written compliance guidelines.

**PUBLIC LAW 40 - HOUSE ENROLLED ACT 1230 - EFFECTIVE JULY 1, 1996. PAYMENT TYPES, ACCOUNTS PAYABLE VOUCHER REGISTER.** Adds IC 36-1-8-11 to provide for payments received by political subdivisions by any of the following that the fiscal body authorizes:

- (1) Cash.
- (2) Check.
- (3) Bank draft.
- (4) Money order.
- (5) Bank card or credit card.
- (6) Electronic funds transfer.
- (7) Any other financial instrument authorized by the fiscal body.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 133A, Page 6

May 1996

**PUBLIC LAW 40 - HOUSE ENROLLED ACT 1230 (Continued)**

Also provides if there is a charge to the political subdivision for the use of the instrument other than a bank card or credit card, the political subdivision shall collect a sum equal to the amount of the charge from the person who uses the instrument.

Adds item (c) to provide for uniform application to all payments of the same type.

Provides item (d) the political subdivision may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. Further changes are made by Public Law 18.

Also amends IC 5-11-10-2 to replace the claim and allowance docket with the "accounts payable voucher register".

**PUBLIC LAW 41 - HOUSE ENROLLED ACT 1310 - EFFECTIVE FEBRUARY 27, 1996. STANDING REPURCHASE AGREEMENTS, SWEEP ACCOUNTS.** Amends IC 5-13-9-3 [a][2] to provide that investing officers may enter into agreements, commonly known as repurchase or resale agreements [including standing repurchase or resale agreements, commonly known as sweep accounts], with depositories designated by the State Board of Finance as depositories for state investments, involving the purchase and guaranteed resale of any interest-bearing obligations: [A] issued; or [B] fully insured or guaranteed; by the United States, any United States government agency, or any instrumentality of the United States government. The amount of money in this type of agreement must be fully collateralized by interest-bearing obligations as determined by the current market value computed on the day a transaction is effective. The collateral for this type of agreement is not subject to the provisions of IC 5-13-9-2 [c].

An investment of public funds (as defined in IC 5-13-4-20): (1) made under a repurchase or resale agreement, including a standing repurchase or resale agreement, that was entered into before the effective date of this act; and (2) that: (A) would have been in compliance with IC 5-13-9-3, as amended by this act, if IC 5-13-9-3, as amended by this act, had been in effect at the time the repurchase or resale agreement, including a standing repurchase or resale agreement, was entered into; (B) is no longer in effect on the effective date of this act; or (C) is brought into compliance with IC 5-13-9-3, as amended by this act, not more than ninety (90) days after the effective date of this act; is legalized and validated.

**PUBLIC LAW 42 - HOUSE ENROLLED ACT 1288 - EFFECTIVE JULY 1, 1996. ACCESSIBILITY STANDARDS.** Amends IC 5-16-9 concerning minimum parking, space size and other standards.

**PUBLIC LAW 44 - SENATE ENROLLED ACT 152 - EFFECTIVE JULY 1, 1996. LATE PAYMENT PENALTIES.** Amends IC 5-17-5-1 to change the classification of interest to a late payment penalty. Provides that a payment is timely if [1] a check or warrant is mailed or delivered on the date specified for the amount specified in the applicable contract documents, or, if no date is specified, within thirty-five (35) days of:  
[A] receipt of a properly completed claim; or  
[B] the invoice date.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 7**

**May 1996**

**PUBLIC LAW 45 - SENATE ENROLLED ACT 364 - EFFECTIVE JULY 1, 1996. ACCESS INDIANA.**

Adds IC 5-21-1-1.5 to provide for the state wide digital telecommunications system implemented under IC 5-21-2-2(b).

**PUBLIC LAW 49 - HOUSE ENROLLED ACT 1133 - EFFECTIVE JANUARY 1, 1997. BUDGETS.**

Amends IC 6-1.1-17-5 to provide that officers of political subdivisions shall meet each year to fix the budget, tax rate and tax levy not later than September 20th.

Also amends IC 6-1.1-17 concerning objection and appeal procedures.

Also amends IC 6-1.1-17-3 to provide budget forms prescribed by the State Board of Tax Commissioners approved by the State Board of Accounts.

**PUBLIC LAW 50 - HOUSE ENROLLED ACT 1132 - EFFECTIVE JANUARY 1, 1999 AND JULY 1, 1996.**

**BUDGETS.** Adds IC 6-1.1-17-5.1 to provide before February 1st of each year the officers of a school corporation shall meet to fix the budget for the school corporation for the ensuing budget year with due notice.

Section 18 provides for a pilot program beginning January 1, 1997 for selected school corporations. The initial period would be beginning July 1, 1997 through June 30, 1998.

**PUBLIC LAW 52 - SENATE ENROLLED ACT 219 - EFFECTIVE MARCH 21, 1996. BUDGET AGENCY**

**REPORTS.** Adds a non-code section to provide for a State Budget Agency report identifying the cost of programs for county welfare services; educational functions (as defined in IC 20-8.1-1-9) provided to county transfer students; and not paid from a county welfare fund or county family and children's fund; services paid by the state under IC 20-1-6-19 for S-5 students; and educational functions (as defined by IC 20-8.1-1-9): provided to special education pre-school children and not paid by the county welfare fund or county family and children's fund. Political subdivisions shall provide the information requested by the Budget Agency without charge.

**PUBLIC LAW 53 - SENATE ENROLLED ACT 469 - EFFECTIVE JANUARY 1, 1996 AND MARCH 21, 1996. SCHOOL TRANSPORTATION. REMONSTRANCE PROCESS.**

Amends IC 6-1.1-19-5.4 concerning transportation levy appeals by adding item 5, the closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

Provides other changes to IC 6-1.1-20 concerning the remonstrance process including an amendment to IC 6-1.1-20-3.2 that the political subdivision is not required to follow any other remonstrance or objection procedure under any other law related to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals.

Also requires a notice must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 8**

**May 1996**

**PUBLIC LAW 53 - SENATE ENROLLED ACT 469 (Continued)**

against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

Amends IC 21-2-11.5-2 to add item 9, the costs of contracted transportation service payable from the school bus replacement account under subsection (e).

Adds IC 21-2-11.5-2(e) to provide before the last Thursday in August in the year preceding the first school year in which a proposed contract commences, the governing body of a school corporation may elect to designate a portion of a transportation contract (as defined in IC 20-9.1-1-8), fleet contract (as defined in IC 20-9.1-1-8.2), or common carrier contract (as defined in IC 20-9.1-1-9) as an expenditure payable from the school bus replacement account. An election under this section must be made in a transportation plan approved by the state board of tax commissioners under section 3.1 of this chapter. The election applies throughout the term of the contract. The amount that may be paid from the school bus replacement account in a school year is equal to the fair market lease value of the school year of each school bus, school bus chassis, or school bus body used under the contract, as substantiated by invoices, depreciation schedules, and other documented information available to the school corporation. The allocation of costs under this subsection to the school bus replacement account must comply with the allocation guidelines adopted by the state board of tax commissioners and the accounting standards prescribed by the state board of accounts.

Amends IC 21-2-11.5-3.1 concerning school transportation funds, school bus replacement account for school buses with a larger seating.

Adds section 11 retroactive January 1, 1996 concerning requests for appeals for recomputing the 1996 operating levy of the transportation fund.

Add section 12 retroactive to January 1, 1996 concerning updating a school corporation's transportation plan.

**PUBLIC LAW 54 - HOUSE ENROLLED ACT 1405 - EFFECTIVE MARCH 21, 1996. REMONSTRANCE PROCESS.** Amends IC 6-1.1-20-3.2 concerning instructions and requirements on the remonstrance process.

**PUBLIC LAW 61 - SENATE ENROLLED ACT 103 - EFFECTIVE JULY 1, 1996 - FUEL TAX EXEMPTIONS.** Amends and adds to IC 6 concerning Special Fuel Taxes and exemptions and filings.

**PUBLIC LAW 66 - SENATE ENROLLED ACT 122 - EFFECTIVE JANUARY 1, 1996. MEDICAL CARE SAVINGS ACCOUNTS.** Amends IC 6-8-11-10. Provides that if an employer before establishing a medical care savings account program under this chapter, did not pay eligible medical expenses for employees through a health coverage policy, certificate or contract, the employer may contribute all or part of the deductible to establish a medical care savings account program.



**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 133A, Page 9

May 1996

**PUBLIC LAW 68 - SENATE ENROLLED ACT 221 - EFFECTIVE JULY 1, 1996. BOARD**

**APPOINTMENTS.** Amends IC 36-1-8-10 concerning political subdivisions, to provide notwithstanding any other law, if the term of an appointed member of a board expires and the appointing authority does not make an appointment to fill the vacancy, the member may continue to serve on the board for only sixty (60) days after the expiration date of the member's term.

**PUBLIC LAW 92 - HOUSE ENROLLED ACT 1311 - EFFECTIVE JANUARY 1, 1997. EDUCATION**

**LICENSE PLATES.** Adds IC 9-18-31 to provide for education license plates under the special group recognition license plates provisions. Provides that a school corporation that receives benefit from an educational foundation that meets the requirements shall:

[1] obtain a certificate from the educational foundation that certifies to the school corporation and the county auditor that the educational foundation:

[A] is exempt from federal income taxation under IRS Code 501 [c][3];

[B] is established as an Indiana nonprofit corporation to provide benefit to the school corporation; and

[2] provide a copy of the certificate described in subdivision (1) to the county auditor.

If a school corporation designated to receive a fee does not receive benefit from an educational foundation, the fees designated to go to the school corporation shall be distributed to the school corporation and may only be used for purposes other than general fund purposes.

Before the twentieth day of the calendar month following the calendar month in which the fee was collected, the bureau shall distribute the fees to the county auditor of the county in which the designated school corporation's administration office is located. Provides for a distribution report to the auditor by the bureau.

Within thirty [30] days of receipt of a distribution from the bureau, the county auditor shall distribute the fees to:

(1) an educational foundation if the school corporation has provided a copy of the certificate; or

(2) the school corporation as applicable.

If the school corporation receives benefit from more than one (1) educational foundation, the superintendent of the benefited school corporation shall determine, and inform the auditor in writing, how fees received are to be distributed to the educational foundations. The county auditor shall, simultaneous with a distribution to an educational foundation, send the school corporation to benefit a notice of the distribution that identifies the recipient foundation and the amount of the distribution.

Funds received by an educational foundation under the chapter must be used to provide benefit to the designated school corporation within one (1) year of receipt from the county auditor.

**PUBLIC LAW 119 - SENATE ENROLLED ACT 485 - EFFECTIVE VARIOUS DATES. TRANSFER**

**TUITION.** Amends IC 20-1-6-18.2 concerning transfer students receiving special education. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 133A, Page 10**

**May 1996**

**PUBLIC LAW 119 - SENATE ENROLLED ACT 485 (Continued)**

(1) The quotient of the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends divided by the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).

(2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.

Also amends IC 20-8.1-6.1-1 concerning juvenile court legal settlement determinations.

Amends IC 20-8.1-6.1-3 to provide no transfer may, however, be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established in section 8 of this chapter for the payment of transfer tuition by a transfer school corporation. However, the transferee school shall not offset the amounts described in section 8(b) STEP TWO (B) through section 8(b) STEP TWO (D) of this chapter from the amount charged to the requesting parents or student.

Amends IC 20-8.1-6.1-5 concerning students placed in certain institutions. Provides the State shall pay that transfer tuition unless another entity is required to pay as a result of a placement under IC 20-8.1-6.1-5(a) or (b) or another state is obligated to pay the transfer tuition.

Amends IC 20-8.1-6.1-6 to provide a foreign student is a resident student with legal settlement in the school corporation where the student resides.

Amends IC 20-8.1-6.1-7 concerning transfers to another state, transfer conditions, and provides the county office of family and children for the county placing the child shall pay from the county family and children's fund to the public school corporation in which the child is enrolled the amount of transfer tuition specified in IC 20-8.1-6.1-7(c).

IC 20-8.1-6.1-7(c) is amended to provide the transfer tuition for which a county office is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the county office, the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

Amends IC 20-8.1-6.1-8 to provide definitions for ADM, pupil enrollment, special equipment and credits for various state grants.

Adds IC 20-8.1-6.1-13 regarding out of state legal settlement.

Amends IC 21-3-1.6-1.1 to define eligible pupils.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 133A, Page 11

May 1996

**PUBLIC LAW 151 - HOUSE ENROLLED ACT 1420 - EFFECTIVE VARIOUS DATES. INDIANA SCHOOL ACADEMIC IMPROVEMENT PROGRAM, TITLE 3 PROGRAM AND ALTERNATIVE PROGRAMS.**

Amends IC 20-1-1-6.3 to provide for school academic improvement programs and transfers.

Also adds IC 20-1-1.1-8 regarding Title III of Public Law 103-227 and grants.

Amends IC 20-10.1-4.6-8 concerning alternative programs.

Also creates the school's alternative program study committee.

**PUBLIC LAW 152 - SENATE ENROLLED ACT NO. 48 - EFFECTIVE MARCH 21, 1996. SCHOOL CONSTRUCTION.** Amends IC 20-1-1-6.4 to provide for non-binding guidelines by the Department of Education concerning minimum acreage, cost per square foot, and a per student square footage. Also adds IC 20-1-1-9 to provide the state board of education may not approve or disapprove plans and specifications for construction, alteration, or repair of school buildings except as necessary for (1) the terms of a federal grant or a federal law. (2) IC 20-1-6-5 concerning the authorization of a special school for children with disabilities.

Amends IC 21-5-9-2 to provide a lessor corporation may acquire and finance an existing school building other than provided in IC 21-5-9-2(a) and lease it to a school corporation. A new school building may be substituted for an existing school building under the lease if the substitution was included in the notices given under IC 21-5-11, IC 21-5-12, and IC 6-1.1-20. A school corporation may not pay a legal or other professional fee as the result of an exchange or a substitution.

Adds IC 21-5-9-6 to provide that sales under IC 21-5-9-2(b) shall be deposited in the school corporation's capital project fund and proceeds used only for:

- (1) new construction of school buildings;
- (2) related site acquisition; and
- (3) related site development.

However, any amount of the proceeds of the sale not used for purposes described within one (1) year after the school corporation receives the proceeds shall be transferred to the school corporation's debt service fund.

**PUBLIC LAW 154 - SENATE ENROLLED ACT 164 - EFFECTIVE MARCH 10, 1996. SCHOOL REORGANIZATION.** Amends IC 20-4-5-12 concerning alternative reorganization procedures.

**PUBLIC LAW 164 - SENATE ENROLLED ACT 57 - EFFECTIVE MARCH 10, 1996. COMMON SCHOOL FUND. AGREEMENTS.** Amends IC 21-1-5-11 concerning sale, transfer or liquidation of principal or interest.

**PUBLIC LAW 169 - SENATE ENROLLED ACT 45 - EFFECTIVE MARCH 21, 1996. SAFETY REGULATIONS.** Amends IC 22-11 concerning door safety regulations for public buildings.

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 133A, Page 12

May 1996

**PUBLIC LAW 187 - HOUSE ENROLLED ACT 1336 - EFFECTIVE JULY 1, 1996. FRAUD INVESTIGATION INFORMATION EXCHANGE.** Adds IC 27-2-19 to create the Fraud Investigation Information Exchange. Provides procedures for governmental agencies that have reason to believe that an application for insurance or claims for proceeds is likely to be presented or based upon misrepresentation and with intent to fraud.

**PUBLIC LAW 194 - HOUSE ENROLLED ACT 1075 - EFFECTIVE JULY 1, 1996. MINIMUM MATERNITY BENEFITS.** Adds IC 27-8-24 to provide minimum maternity benefits in insurance contracts.

**PUBLIC LAW 243 - HOUSE ENROLLED ACT 1414 - EFFECTIVE MARCH 10, 1996. FORMS.** Provides the Commission on Public Records to coordinate a study of forms.